



# Technology *M&A Quarterly Update*

Fourth Quarter 2021

2021 was a record-breaking year for M&A across all sectors;  
the SaaS M&A market is expected to break transaction volume records  
for the 10th year in a row as a M&A market remains hot at year-end

## SaaS Market Outlook

- **The growth rate of the SaaS market is projected to continue** its trajectory: as a whole, the SaaS market is growing by 18% each year. By the end of 2021, 99% of organizations will utilize a SaaS solution
- **Security and privacy are top of mind among many SaaS companies**; reliable security not only mitigates the risk of data breaches, but also helps build trust among clients
- **Mobile-first SaaS** is beginning to catch up to computer-based SaaS due to the increased sophistication and power of newly emerging mobile devices
- **AI and machine learning** are becoming increasingly important aspects of integrated SaaS technology

## SaaS M&A Trends

### Financial Sponsors

Private equity and PE-backed companies continue to deploy capital into the space and represent 76% of the deals done in Q3-2021



### Strategic Buyers

Non-sponsor backed strategics in the industry are eager to continue the trend of roll-ups to create a more cohesive network of capabilities throughout their cloud



### Pending Tax Changes

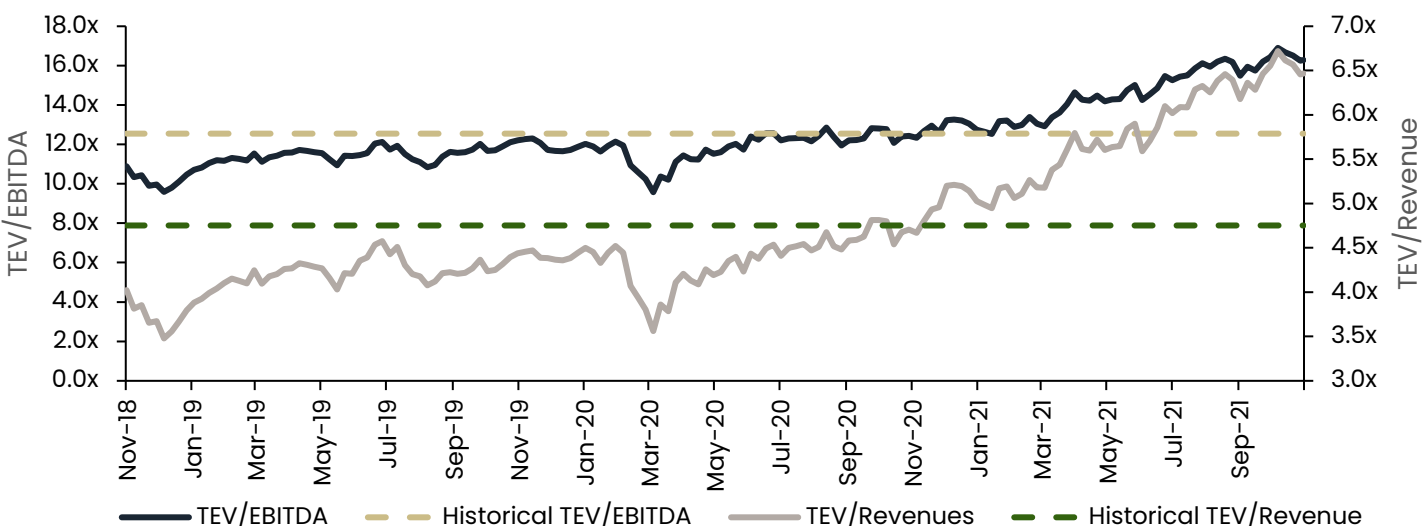
While the details are uncertain, experts agree that the current tax regime will change materially and have an impact on company owners



The SaaS sector continues to remain highly attractive with premium multiples being paid not only for subscription revenue companies but also for those with a combination of subscription revenue and predictable transaction-based revenue streams. The IPO success of Toast and the acquisition announcement of Afterpay by Square demonstrate the business model success of fixed and variable revenue streams.”

*Subhash Marineni, Director & Technology Sector Lead  
Bridgepoint Investment Banking*

## SaaS Sector Valuation



## SaaS Selected Comparable Public Companies

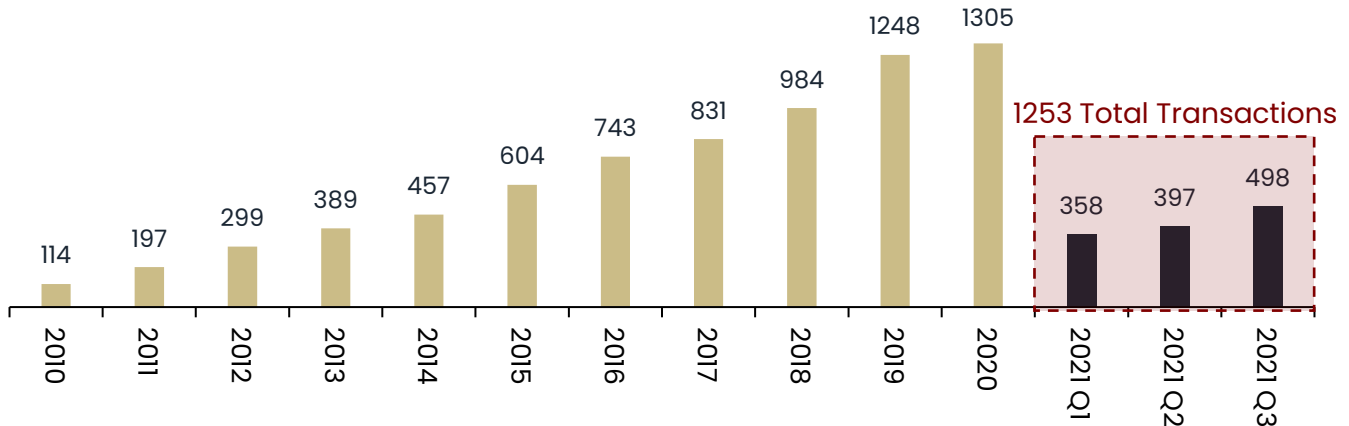
(\$ in millions, except per share data)

Company Name	Country	11/15/2021 Share Price	Market Capitalization	TEV / Revenue	TEV / EBITDA	TEV / EBITDA
				LTM	LTM	NTM
ADTRAN, Inc.	United States	\$21.42	\$1,042.7	1.8x	106.8x	27.9x
Black Knight, Inc.	United States	\$76.87	\$11,843.4	10.6x	29.1x	19.6x
Bottomline Technologies, Inc.	United States	\$47.78	\$2,158.4	4.6x	47.8x	20.0x
Box, Inc.	United States	\$25.84	\$3,916.0	5.2x	41.9x	16.1x
Bridgeline Digital, Inc.	United States	\$3.35	\$28.1	2.9x	23.8x	25.5x
CACI International, Inc.	United States	\$281.93	\$6,576.6	1.4x	11.2x	12.3x
CalAmp Corp.	United States	\$10.21	\$366.4	1.5x	15.5x	14.0x
CCC Intelligent Solutions Holdings, Inc.	United States	\$12.88	\$7,768.8	12.7x	NM	30.1x
ChannelAdvisor Corporation	United States	\$27.18	\$816.7	4.5x	27.7x	20.2x
Cornerstone OnDemand, Inc.	United States	\$0.00	\$0.0	-	-	0.0x
Digital Media Solutions, Inc.	United States	\$6.70	\$242.5	1.0x	11.2x	6.3x
E2open Parent Holdings, Inc.	United States	\$12.50	\$3,750.0	13.2x	95.1x	21.9x
Ebix, Inc.	United States	\$36.34	\$1,124.5	1.8x	12.6x	9.9x
EverCommerce, Inc.	United States	\$20.05	\$3,917.0	9.4x	60.3x	36.6x
Harmonic, Inc.	United States	\$10.77	\$1,104.7	2.4x	14.0x	16.5x
Iltron, Inc.	United States	\$72.13	\$3,265.5	1.8x	18.3x	21.1x
Jamf Holding Corp.	United States	\$30.94	\$3,671.1	11.3x	NM	103.8x
Juniper Networks, Inc.	United States	\$32.14	\$10,451.3	2.4x	14.7x	10.9x
Kinaxis, Inc.	Canada	\$0.00	\$4,658.2	18.7x	NM	0.0x
LifeSpeak, Inc.	Canada	\$5.31	\$255.8	13.3x	NM	14.6x
MiX Telematics Limited	United States	\$12.58	\$274.5	1.8x	6.8x	0.0x
NetApp, Inc.	United States	\$88.86	\$19,871.7	3.1x	14.1x	10.8x
NetSol Technologies, Inc.	United States	\$4.98	\$56.0	0.9x	7.9x	0.0x
Olo, Inc.	United States	\$28.83	\$4,373.7	27.0x	NM	232.0x
Ooma, Inc.	United States	\$21.65	\$508.8	2.7x	75.3x	39.5x
Open Lending Corporation	United States	\$30.64	\$3,866.5	19.3x	28.1x	26.5x
Oracle Corporation	United States	\$94.02	\$257,021.2	7.4x	16.0x	14.2x
Park City Group, Inc.	United States	\$5.32	\$103.2	4.1x	22.0x	12.6x
Paycom Software, Inc.	United States	\$484.08	\$28,075.0	28.2x	103.9x	56.7x
PowerFleet, Inc.	United States	\$6.60	\$231.3	2.4x	66.2x	23.6x
SEMrush Holdings, Inc.	United States	\$24.37	\$3,323.7	18.4x	NM	NM
Sonic Foundry, Inc.	United States	\$3.56	\$32.2	0.8x	6.5x	0.0x
The Descartes Systems Group, Inc.	Canada	\$88.24	\$7,465.8	19.2x	46.7x	0.0x
Thryv Holdings, Inc.	United States	\$35.43	\$1,203.4	1.6x	5.5x	7.3x
Tyler Technologies, Inc.	United States	\$551.28	\$22,589.4	16.5x	78.9x	49.3x
Urbanimmersive, Inc.	Canada	\$0.00	\$21.5	6.1x	135.2x	0.0x
Where Food Comes From, Inc.	United States	\$11.48	\$70.1	3.1x	19.3x	0.0x
Ziff Davis, Inc.	United States	\$127.71	\$6,158.3	4.3x	10.3x	14.1x
Zix Corporation	United States	\$8.47	\$471.9	3.2x	16.3x	13.0x

High	10.63x	106.8x	27.9x
Mean	4.42x	43.4x	20.2x
Median	3.74x	35.5x	19.8x
Low	1.41x	11.2x	12.3x

## SaaS M&A Transaction Statistics

### SaaS Transaction Volume



## Notable SaaS Transactions

### GPS Fleet Management (SaaS)



**On September 7, 2021**, Bridgestone announced its acquisition of Fleet Management Solutions provider Azuga for \$391mm.

"The completion of this acquisition is a significant milestone on our journey to build a more diverse, digital and future-focused Bridgestone. With Azuga in our portfolio, we will be able to scale our mobility solutions with speed to drive increased safety, sustainability and efficiency for fleet customers."  
– Paolo Ferrari, President & CEO, Bridgestone Americas

### Healthcare Technology

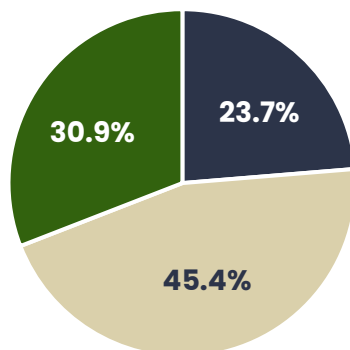


**On October 7, 2021**, Adobe announced their acquisition of Frame.io, a team collaboration SaaS that enables professional video makers to upload, review and share media.  
Transaction Value: \$1.2billion

"Frame.io and Adobe share a vision for the future of video creation and collaboration that brings together Adobe's strength in video creation and production and Frame.io's cloud-native platform. We're excited to join Adobe to continue to drive video innovation." – Emery Wells, CEO and Co-Founder, Frame.io

## SaaS Transaction Details

### Buyer Types



- Financial
- Strategic
- Sponsor-Backed Strategic



**Mirroring a hot M&A market**, SaaS and technology-related transaction activity continues to rise compared to historical trends in the industry



**2021 is projected to set new records** for number of SaaS transactions within a year, continuing a 10-year pattern (as seen above)



**Financial sponsors** continue to dominate the market, making up over 75% of all transactions in 2021 (Q1-Q3)

## Selected Recent SaaS M&A Transactions

Date	Target	Acquiror	Business Description	Enterprise Value (millions)
09/30/2021	Guardicore	Akamai Technologies	Provides software-based segmentation and security solutions for agile enterprises	\$600.0
09/27/2021	Smart Equip	Ritchie Bros. Auctioneers	Provides manufacturer customers with real-time service and diagnostic support	\$175.0
09/20/2021	HVR Software	Fivetran	Provides software to automate the logistics of moving data between enterprise systems	\$700.0
09/13/2021	Mailchimp	Intuit	Provides software to aid businesses in marketing and displaying company websites	\$12,000.0
09/07/2021	Azuga	Bridgestone	Provides GPS fleet management software for vehicles and drivers	\$391.0
08/30/2021	AtlasMind (certain assets)	Wishpond Technologies	Provider of software to recover lost marketing revenues and create smarter analytics for companies	\$2.0
08/26/2021	Informative Research	Stewart Information Services Corp.	Provides credit, consumer and real estate data and technology services	\$192.0
08/25/2021	Optimum Coin Analyzer	Graph Blockchain	Provides cloud-based discovery search engine subscription models which create recurring revenue	\$3.9
08/19/2021	Frame.io	Adobe	Provides team collaboration SaaS that enables professional video makers to upload, review and share media	\$1,275.0
08/10/2021	Avast Software	NortonLifeLock	Provides privacy and antivirus SaaS for businesses and individuals	\$8,627.0
08/10/2021	Say	Robinhood Markets	Provides an innovative communication platform that makes it easier for investors to exercise their ownership rights	\$140.0
08/05/2021	Cornerstone OnDemand	Clearlake Capital Group	Offers organizations the technology, content, expertise and specialized focus to help them realize the potential of their people	\$5,200.0
08/04/2021	Altistar Networks	Rakuten Group	Provides open virtual radio access network technology	\$1,000.0
08/01/2021	Afterpay	Square	Provides application to facilitate global paying trend of "buy-now-pay-later"	\$28,655.0
07/26/2021	FDS Amplicare	Omniceil	Provides dynamic software solutions for pharmacists to make educated day-to-day decisions	\$177.0

View a comprehensive recap of H1-2021 software M&A transactions [here](#).

**H1-2021  
SOFTWARE M&A  
TRANSACTION  
RECAP**




















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## Bridgepoint Executive Summary

- **Sector-focused technology boutique investment bank focused on the middle market**
- 260+ years cumulative investment banking experience spanning 222 transactions
- \$122+ billion of M&A, capital raising, corporate finance and M&A transaction advisory service experience
- 99 completed M&A assignments spanning more than \$36 billion in transactions
- 123 completed corporate finance transactions, raising more than \$85 billion in capital

## Selected Bridgepoint Technology Transactions

  International equipment financing to support future growth Sole Financing Arranger	  HAS BEEN ACQUIRED BY  Sell-side M&A Advisor	  HAS BEEN ACQUIRED BY  Buy-side M&A Advisor	  Senior & uni-tranche debt financings for debt recapitalization JPMORGAN CHASE & CO. GRAYCLIFF PARTNERS Sole Financial Advisor
  Growth equity capital raise Financing Arranger	  Bridge debt and equity capital raise Sole Bookrunner	  HAS BEEN ACQUIRED BY  Sell-side M&A Advisor	  Preferred stock offering Financial Advisor

*The list contained herein represents selected transactions completed by Bridgepoint principals while associated with Bridgepoint Investment Banking, as well as securities transactions on which they advised in their capacity as investment bankers registered with various broker-dealers.*



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## Sectors of Focus



Technology



Business & IT Services



Consumer & Retail



Healthcare



Industrials & Transportation

260

YEARS OF EXPERIENCE

\$122B

IN TRANSACTIONS

222

TOTAL TRANSACTIONS

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